which is needed for getting the train on track, but also of the running cost and issues like who will bear the running cost, who will take care of it in the first few years if the train does not run on profit. Those things are being sorted out. Once the Ministry of Railways, with our help and support, is able to work out the first few trains, which have already been announced, I am confident that we will be able to take up trains, which will have an inter-State impact on connotation. At the moment, there is no train yet, which is running on inter-State basis.

State-run low cost domestic airlines

*44. SHRI MANOHAR JOSHI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the first State-run low cost domestic airline is all set to take wings very shortly to target truck routes between big cities as also sectors that are not fully covered by full service carriers; and

(b) what would be ticket pricing and whether it would be comparable to those offered by current LCCs (Low Cost Carriers)?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir. Air India Express, the budget carrier launched by Air India's subsidiary company, is planning to commence domestic operations from October, 2007 in addition to its existing international operations.

(b) The fares charged by Air India Express would be competitive and comparable to the other low cost carriers operating on the same routes.

SHRI MANOHAR JOSHI: Mr. Chairman, Sir, the Budget Carrier is to start from coming October. I would like to know from the hon. Minister whether this budget carrier will be going to the remote areas, as is expected, and, what is the exact competitive rate, which the Minister proposes for the budget carriers.

SHRI PRAFUL PATEL: Sir, the Air India Express, the budget carrier of the national airline, is already in operation for the last two years or more. It is primarily having operations in the international sectors. Again, it is, primarily, driven from Kerala, Amritsar and from many cities to the Middle East and the South-East Asian countries.After the merger of Air India and Indian Airlines, the budget carrier will now also have a domestic footprint because there is a lot of competition in this segment even within the country, and, as all of us are aware, because of budget carriers now flying in the country, the scope of air travels has widened. Many people are now able to afford air travel. So, it would be equally in the interest of the national carrier to expand its operation to be able to enter that segment in the domestic sector. And, that is the reason why, as we have answered, from October, post merger, this budget carrier will now also operate within India to be able to take on competition and also to enter that segment.

As far as pricing is concerned, I am sure, all of us will agree that on account of deregulation, the Government does not regulate prices of tickets to be charged by the airlines. It has also helped in again widening the entire sector. And, as a result

of this, we have seen today that no regulation of pricing on the part of the Government has led to better choice, further competition and better fares. So, we will not have any regulatory aspect as far as pricing is concerned.

SHRI MANOHAR JOSHI: Mr. Chairman, Sir, my question, whether this particular airline will go to the remote areas, has not been replied to. Secondly, Sir, I would also like to know what special additions the Government proposes to do in this particular carrier because of the competition. And, since the other airlines have already started the budget carriers, I would like to know what would be the specility of the Air India Express.

SHRI PRAFUL PATEL: Sir, it is a fact that our country is large and we need more connectivity to newer cities. In fact, the real growth is going to come from level 2 and level 3 cities where a large chunk of our population resides and is keen to have services of air travel. I would also like to inform the House that three years ago the number of cities connected within India was approximately 50. And, that number has now grown up to almost 80. Almost 80 cities are now being connected within the country. The endeavour of the Ministry is to ensure that more and more cities are brought into the air travel map. The Air India Express certainly will also endeavour to connect cities which are remote, as you would like to call it, or cities which have not yet been connected. There is also a policy of the Government which is known as Route Disbursal Guidelines. Every airline which operates in the country has to adhere to category 1, 2, 2A and 3. These are the four categories of routes. It primarily means that if an airline is operating in a major metro route, say, Mumbai-Delhi or Mumbai-Bangalore or whichever the metro cities, it also is obliged, under the Route Disbursal Guidelines, to operate to cities which are level 2 cities and then go to 2A, that is, the cities within the North-East or in J&K. Such areas have to be connected by every airline. So, regardless of whether we define it or not, every airline is obliged to go by all these Route Disbursal Guidelines so that the cities are connected. Again, it is our constant endeavour and we have been talking to the State Governments. There is also a response now which we are saying which is emerging where we are finding that newer cities are now sought to be connected by whatever the infrastructure is available with the State Governments. In this further endeavour, the Government has now recently announced within the schedule operators permit, a new classification known as Schedule Operators Permit Regional Airlines. This primarily is again to drive aviation to the smallest of towns wherever infrastructure is available. So, it is our constant endeavour. We are keen, and I am sure all of us are keen here. We always see within the House that all Members seek connectivity to their region which is very appropriate. We shall strive to achieve that.

SHRIMATI BRINDA KARAT: Sir, through you, I would like to ask the Minister whether there is any truth in the reports that some foreign airlines have evinced interest in coming into the domestic sector on no- frills/low-cost basis and whether the Minister has had some meetings with owners of those airlines. And, if there is any truth in those reports, what is the Government's approach to that?

SHRI PRAFUL PATEL: Brindaji, I can assure you and the House that there is no change in policy at the moment. I can only talk of policy as it is today and the policy is very clear that the FDI in the domestic aviation sector is at 49 per cent, but with the specific provision that there shall not be any foreign airline participation in the domestic aviation sector.

As far as any reports which have emanated are concerned, unfortunately, I have not been able to see them. But I can assure you that there is no proposal at the moment with the Government. As the Government's policy stands today, no foreign airline is allowed to participate in the domestic aviation sector.

SHRI SANTOSH BAGRODIA: Sir, with the opening up of the skies, really the most ordinary person in India can travel. I congratulate the hon. Minister on that. This is very good. But the problem is that safety precautions have gone to the winds. Every day we hear that two aircrafts missed. That is one side.

Another thing is delay at all the airports; even smaller airports also. The delay is because of crowd or jamming up. What precautions the hon. Minister is planning to take? The moment our national carrier also starts bringing 'cheap routes' into the picture, or whatever you call it 'no frills,' there will be further crowd. Do we have enough infrastructure to handle it? That is one thing.

Another point is this. Does the national carrier plan to have very small aircrafts like a 20-seater or a 50-seater? That only can go to the level C and D cities. Does the Government plan for that also?

SHRI PRAFUL PATEL: Sir, none of these arises out of this question of Air Indian Express operating in domestic routes. However, I would like to assure the House, first and foremost, that when it comes to safety and security, I do not think there is any disagreement. We are bound by an international charter of the International Civil Aviation Organisation where all member-states have to adhere to certain norms and levels of safety. I would also go one step further and would say that the House should also join me in congratulating the people who are actually manning and making aviation safe in our country. The International Civil Aviation Organisation conducts a safety audit of each and every member-state, that means virtually every country of the world, and in their audit, they have ranked India number one in the world. The House must congratulate the people who are doing a good job.

I do appreciate that there are concerns. Newspaper reports do sometimes give an impression that everything is very unsafe or things are not as good as they should be. I can assure you that also. When sometimes newspapers report 'misses,' you see an incident is reported as 'misses,' incident means any deviation of procedure. There are bands of safety within bands of safety. There is no reason to be overly alarmed by what is being reported. I am not saying that it should be overlooked or that the regulatory authorities are not giving it due consideration. But, at the same time, there is sometimes an impression being created that all is not well. That is not true. If that were the case, then why would the International Civil Aviation Organisation conduct its audit and give us this kind of a ranking?

Yes, there would be some tolerance levels which will have to be accepted by all of us in terms of congestion. Congestion is not a phenomenon which was known in India; it is a worldwide phenomenon. We were never used to it because India never had that kind of air traffic in the country. With the boom, there is now a situation which is therefore leading all of us to think collectively that infrastructure is needed as early as possible. That is what the Government is endeavouring. The Government is also doing, its best. Today, I can assure you that three years ago, seventy per cent

of the traffic was only concentrated in Mumbai and Delhi. Now, with the pressure and the initiatives of the Ministry and all stakeholders, we have been able to get other cities into the aviation network and reduce the pressure of seventy per cent of entire India. India is not Mumbai and Delhi alone. Therefore, we have now brought down that share to well below fifty per cent. It's our endeavour. When we talk of air congestion, unfortunately, we talk only of Mumbai and Delhi. Mumbai and Delhi again are not India. There is no air congestion at other 70 or 80 airports of the country. (*Interruptions*) Goa is a different case where we only operate for three-hour window; it's a naval airfield. But, I am talking of all airfields across the country and in Delhi also, the second runway will be operational by June-July, 2008 which will reduce congestion; virtually, the congestion over Delhi will disappear. Mumbai would, therefore, be the only airport which will have the congestion problem for a couple of years till the new airport is ready. So, I would also like to assure everybody that congestion at Mumbai and Delhi cannot be looked upon as congestion of the skies in India. Others should also reap the benefits. And, therefore, it is a good thing that now many a city, right from Amritsar to Ahmedabad, to Lucknow, to just about Thiruvananthapuram, to everywhere, there is more and more air traffic which is a good sign and, I think, all of us should appreciate this. As far as smaller aircraft are concerned, yes, Air India will be operating ATR and smaller aircraft in future. (*Interruptions*)

MR. CHAIRMAN: Shri Malaisamy. (*Interruptions*)

DR. K. MALAISAMY: Thank you, Chairman, Sir. Though we are very happy to hear the Minister, I am sorry, the ground reality is totally different. I am inclined to agree with Shri Santosh Bagrodia.

MR. CHAIRMAN: Question please.

DR. K. MALAISAMY: Sir, every Member here is travelling everyday by a flight. We face the greatest ordeal to go by a flight. To be honest with the Chairman and with the House, the entire airport, whether small or big, is worse than a bus stand. This is the way that I am able to see it. There is lot of congestion *kutcha* shed and the crowd is so much. We are so happy that the Minister has got an ambitious programme for expansion, for low cost carriers, etc. We are happy about it, but, will be kind enough to initiate the infrastructure for that? Has he got the management system to manage all these things? To be honest with you, Sir, I would like to ask: What is his monitoring system to monitor the low cost carriers? Many times, what happens, many of the air carriers are cancelled abruptly and there is no alternative arrangement at all. There is absolutely nothing. I am asking a specific question through the Chairman as to whether he has got a monitoring system in terms of quality and quantity in service as far as low cost carriers are concerned. That is number one.

MR. CHAIRMAN: Only one question. No, please, (*Interruptions*) One question please. (*Interruptions*) Please, hon. Member. *Interruptions*)

DR. K. MALAISAMY: Sir, the second part of the question is this. Sir, I will stop. Can he assure a time-frame, I underline the word 'time-frame', before which he can develop the infrastructure in such a way that he can afford to give a satisfactory service?

SHRI PRAFUL PATEL: Sir, I would like to inform the hon. Member. I am sorry, you travel everyday but, probably, you travel only between Chennai and Delhi. That is why, you are not aware as to how much of infrastructure upgradation is taking place all across the country. (*Interruptions*) No, no. I did not say that. There is no inference about Chennai. I am saying that an infrastructure upgradation programme is going across all over the country within whatever resources are there. Thirty-five non-metro airports, we have mentioned in the past, are being upgraded and many smaller airports, which are not even in the thirty-five non-metro airports, are also being upgraded. Chennai is going to be upgraded. There was some issue of land on which the State Government has now agreed. Everywhere this programme is going on. I would also like to inform the Members that in many airports where we are willing to spend the money, the State Governments have not been able to give us ten acres or twenty acres of additional land which also comes in the way of expansion and modernisation. So, please, I would appreciate that all Members should also join us in supporting the programme by helping us, through the State Governments, and getting us the additional infrastructure requirements. (*Interruptions*) I don't want to enter into an argument. (*Interruptions*)

SHRI N. JOTHI: Your airports are looking like bus stands. ..(*Interruptions*)...

SHRI PRAFUL PATEL: In the name of the concerns of the common man, I think, all of us should be happy that our airports are looking like bus stands. At least, the common man is flying. Why are we ignoring that fact and how do you want us to stop the growth of aviation in the name of the airports being less crowded? I think, it is a natural phenomenon. You should appreciate that. You cannot have everything at one time. It is leading towards infrastructure development because there is a growth in aviation. The pressure is there, and we are doing everything possible.

Acute shortage of small coins

*45. SHRIMATI JAYA BACHCHAN: will the Minister of FINANCE be pleased to state:

(a) whether he is aware that there is at present acute shortage of small coins in a number of city markets and commuters/consumers are facing acute shortage of coins at the hands of bus conductors, taxi and scooter drivers and vendors of daily necessities;

(b) whether the shortage is very sudden; and

(c) if so, the steps being taken to address the problem?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) There have been some reports as well as complaints from public/trade bodies regarding shortage of coins in certain markets. The Reserve Bank of India has reported that the shortage is being felt for the last one year. The following steps have been taken to address the problem: